

## Calendar No. 754

110TH CONGRESS  
2d Session "

SENATE

REPORT  
110-342

### EURASIA FOUNDATION ACT

JUNE 2, 2008.—Ordered to be printed

Mr. BIDEN, from the Committee on Foreign Relations,  
submitted the following

### REPORT

[To accompany S. 3024]

The Committee on Foreign Relations, having had under consideration the bill (S. 3024), to authorize grants to the Eurasia Foundation, and for other purposes, reports favorably thereon and recommends that the bill do pass.

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#### I. PURPOSE

The purpose of the Eurasia Foundation Act is to authorize an annual grant to the Eurasia Foundation, thereby maintaining an investment the United States Government has made in the Eurasia Foundation and ensure that the Foundation will continue its work to promote accountable governance, civil society and private enterprise in the 12 countries of the former Soviet Union.

#### II. COMMITTEE ACTION

On May 15, 2008, Senators Biden and Lugar introduced S. 3024, the Eurasia Foundation Act. At a business meeting on May 20, 2008, the committee ordered the bill reported favorably by voice vote, without amendment.

#### III. DISCUSSION

The region in which the Foundation operates—the nations of the former Soviet Union—has major strategic significance for the United States and its allies. In recognition of that fact, the U.S. Government has already invested roughly \$300 million in the work of the Foundation since its inception in 1992. Foreign governments

and private donors have augmented these funds with an additional \$80 million. The Foundation has used these resources well, developed a strong network of programs and partners, and amassed an admirable record of accomplishment. The Foundation's activities have become particularly important in the face of new efforts by authoritarian regimes to subvert the region's young, and still fragile, democracies.

Much of the U.S. Government support to the Foundation has come through the Freedom Support Act. The Freedom Support Act budget, however, has decreased dramatically in recent years, from \$958 million in fiscal year 2002 to \$396 million in fiscal year 2008. The Eurasia Foundation Act establishes a regular budget item in the budget of the Department of State, akin to that now provided to the Asia Foundation under the Asia Foundation Act (P.L. 98-164). This will help ensure continuation of the Foundation's important work to promote transparency, accountability, and civil society in the region independent of funding levels for the Freedom Support Act. The legislation also authorizes \$15 million for the Eurasia Foundation in fiscal year 2009.

The committee is aware of concerns that the work of the Foundation not overlap with the work of the Asia Foundation. Likewise, concerns have been expressed that the Eurasia Foundation not duplicate the efforts of the U.S. Russia Foundation for Economic Advancement and Rule of Law, the successor entity to the U.S. Russia Investment Fund. The bill addresses both of these issues. First, the bill defines the term "countries of Eurasia" in section 6(b). Second, section 2, which sets forth the purposes of the bill, delineates the geographic scope for the Foundation's activities. In this regard, the committee notes that section 2(b)(1) authorizes the Foundation to work with citizens of the countries of Eurasia "in their own efforts to develop more open, just, and democratic societies." A current project of the Foundation provides support for the European Humanities University, which recently relocated from Belarus to Lithuania and provides instruction to Belarusian students there. This type of project—assistance to people from the countries of Eurasia (but located outside of such countries)—is contemplated by the framework of section 2. With regard to the U.S. Russia Foundation, section 5(a) of the bill mandates that the Eurasia Foundation and the U.S. Russia Foundation enter into a memorandum of understanding (MOU), the purpose of which is to ensure coordination, and prevent duplication, in the work of the two Foundations. The bill imposes a deadline for conclusion of the MOU in section 5(b).

#### IV. COST ESTIMATE

In accordance with Rule XXVI, paragraph 11(a) of the Standing Rules of the Senate, the committee provides this estimate of the costs of this legislation prepared by the Congressional Budget Office.

UNITED STATES CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, May 29, 2008.*

Hon. JOSEPH R. BIDEN, JR.,  
*Chairman, Committee on Foreign Relations,*  
*U.S. Senate, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 3024, the Eurasia Foundation Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Sunita D'Monte.

Sincerely,

PETER R. ORSZAG.

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CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

*May 29, 2008.*

**S. 3024**

**Eurasia Foundation Act**

AS ORDERED REPORTED BY THE SENATE COMMITTEE ON FOREIGN  
RELATIONS ON MAY 20, 2008

S. 3024 would authorize appropriations in 2009 and 2010 for grants to the Eurasia Foundation. The foundation is a nonprofit corporation based in Washington, D.C., that promotes accountable public administration, civil society, and private enterprise in Russia and countries in Central Asia, Eastern Europe, and the South Caucasus region.

The bill would authorize the appropriation of \$15 million in 2009 and such sums as may be necessary in 2010 to carry out the purposes of the foundation. CBO estimates that under the bill the foundation would require about \$15 million in 2010 and that implementing the legislation would cost \$30 million over the 2009–2013 period, subject to the appropriation of the authorized and estimated amounts.

S. 3024 would encourage the foundation to augment its funding from private sources. According to the foundation, it receives private funding worth about \$4 million a year (about 20 percent of its annual expenditures). Because it is a nongovernmental entity, the foundation's authority to accept and spend gifts does not affect the federal budget. Enacting the bill would not affect direct spending or revenues.

S. 3024 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Sunita D'Monte.

This estimate was approved by Peter H. Fontaine, Assistant Director for Budget Analysis.

## V. EVALUATION OF REGULATORY IMPACT

Pursuant to Rule XXVI, paragraph 11(b) of the Standing Rules of the Senate, the committee has determined that there is no regulatory impact as a result of this legislation.

## VI. CHANGES IN EXISTING LAW

In compliance with paragraph 12 of Rule XXVI of the Standing Rules of the Senate, the committee notes that no changes to existing law are made by this bill.